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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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July 27, 2001



Magalie R. Salas, Secretary  
Federal Communications Commission  
The Portals  
445 – 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

**Via Hand Delivery**

**Re: Notice of *Ex Parte* Presentation by Cbeyond Communications  
CC Docket Nos. 96-98 and 98-147**

Dear Ms. Salas:

Pursuant to Sections 1.1206(b)(1) and (2) of the Commission's Rules, Cbeyond Communications ("Cbeyond") submits in the above-captioned docketed proceedings this notice of an oral *ex parte* presentation made on July 26, 2001 to Commissioner Kevin Martin and his Legal Advisor, Samuel Feder.

The presentations were made by:

James Geiger, Chairman, President, and CEO, Cbeyond  
Julia Strow, Vice President, Regulatory, Cbeyond  
Heather Gold, The KDW Group  
Jonathan Canis, Kelley Drye & Warren

Mr. Geiger discussed the Cbeyond business model and technology; Ms. Strow discussed Cbeyond's positions regarding several proceedings pending before the Commission; and Mr. Canis and Ms. Strow discussed Cbeyond's business plans for the use of collocation, unbundled loops and enhanced extended links ("EELs"). A set of talking points was distributed during the meeting; a copy is attached to this notice.

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Magalie R. Salas

July 27, 2001

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Pursuant to Sections 1.1206(b)(1) and (2) of the Commission's Rules, Cbeyond submits an original and one (1) copy of this oral *ex parte* notification for inclusion in the public record of the above-referenced proceedings. Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Julia Strow". The signature is fluid and cursive, with the first name "Julia" being more prominent than the last name "Strow".

Julia Strow  
Vice President, Regulatory  
Cbeyond Communications

Encl:

cc: Commissioner Kevin J. Martin  
Samuel L. Feder, Legal Advisor to Commissioner Kevin Martin  
International Transcription Service



# Cbeyond Communications

**James Geiger** - Chief Executive Officer

**Julia Strow** - Vice President, Regulatory

July 26, 2001

*CC Docket No. 96-98*

# C Agenda

- Introduction to Cbeyond
- How Cbeyond is Changing the Game
- What Cbeyond Needs from the FCC

# Cbeyond's Focus on Small Business

## *Our Vision*

To bring big business communications to small business customers at affordable prices

## *Our Plan*

To enable small business customers to “embrace *the bandwidth*” via an integrated voice and data product offering that provides productivity enhancing tools that are user friendly and cost effective

# Cbeyond Business Overview

- Next Generation Broadband Service Provider
- Founded in November 1999 to provide the under-served small business market an integrated voice and broadband Internet service
- Leverage innovations in VoIP and soft-switch technologies to provide a “disruptive” economic and operational advantage over legacy providers
- \$141M in initial funding led by Madison Dearborn Partners, Battery Ventures and Vantage Point Venture Partners in March 2000 and \$240M in private debt financing
- Management Team recruited for leadership and innovation
- +170 employees; headquartered in Atlanta, Georgia

# Cbeyond Business Model

- Target Market
  - Small businesses (5 to 25 lines) in Tier 1 markets
  - Fully funded markets: Atlanta, Dallas, Denver, Houston
- Facilities-based Communications Service Provider
  - Access agnostic: initially utilizing DS1 UNEs and EELs
  - Collocations and local data centers
- Network Technology
  - Cisco powered, local VoIP network (Class 4 & 5 functionality)
  - Single, integrated voice and data network
- Core Competencies
  - Direct sales force and market-based service organization
  - Next-Gen OSS and BSS

# Cbeyond's Key Successes



- Technology Validation
  - Extensive Lab and Technical Trials validated the functionality and reliability of Cisco's end-to-end IP Telephony and broadband Internet solution
- OSS/BSS Development
  - Completed detailed business process definition
  - Focused significant development on customer interfaces with back-office
- Market Entry
  - General availability of integrated local, LD and broadband data service in Atlanta currently, Dallas and Denver operational 3Q01
  - Customer acquisition and Sales Rep. productivity significantly ahead of plan
- Customer Admiration
  - Cbeyond is changing the customer experience and building a "culture of referrals"



# Summary: “The Cbeyond Difference”



## Cbeyond

- Broadband
- VoIP, Soft-switch
- Integrated Network
- Access Agnostic
- Integrated Services
- Disruptive Economics



## Legacy Providers

- Narrowband
- Circuit Switched
- Separate Networks
- Access Specific
- Bundled Pricing
- Legacy Economics

# Cbeyond's Key Challenges

- Local loop provisioning and repair
- Wide variation in UNE pricing by market
- Uncertainty in rules and regulations that impact technological innovation
- Enforcement of the Telecommunications Act

# C What Cbeyond needs From the FCC

- *Broadband Deployment*
  - High Capacity Loops and Transport Petition Dismissed
- *Enforcement*
  - UNE Pricing via 271 Process
  - EEL Provisioning and Conversions
- *Technology Neutral Focus*
  - Pro-competitive FCC policies have stimulated innovation
  - Collocation order exemplifies correct focus

# Switching Carve Out

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- Zone 1 limitation should be expanded to include any MSA meeting the density criteria
- Record does not support raising the current four line threshold
- Quid pro quo EEL provision must be maintained

# Conclusion

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- Introduction to Cbeyond
  - Cbeyond is a next generation facilities-based service provider
  - Focused on providing small business customers (5 to 25 lines) an integrated voice and broadband data service
- How Cbeyond is Changing the Game
  - Cbeyond is leveraging innovations in VoIP and soft-switch technologies to provide a “disruptive” economic and operational advantage over legacy providers
- What Cbeyond Needs from the FCC
  - Policies that further greater broadband deployment
  - The FCC should maintain its focus on enforcement
  - FCC policies should facilitate technological innovation